

INVENTORY CONTROL GUIDELINES



Eight basic guidelines for accurate inventory, reliable MRP, better shop control, and sound process discipline.



1. WHY THESE GUIDELINES MATTER



Accurate Inventory

Trustworthy stock for better decisions.



Reliable MRP

Accurate data drives better plans and priorities.



Better Job Release

Release the right jobs at the right time.



Fewer Errors & Shortages

Lower risk, less rework, higher service levels.

2. THE 8 GUIDELINES

1



Do Not Use Outside Inventory

DBA is a closed-loop inventory system. Sales orders and sales inventory must stay in DBA so demand and supply feedback can drive MRP, job release, job priority, and shipment priority.

5



Issue Material in Real Time

Issue materials to jobs through Work Center Schedule before starting job sequences. Avoid backflushing after the fact.

2



Use Real Locations

Do not rely on a single dummy location. Track stock in actual locations to reduce errors and improve issuing, picking, and stock counting.

6



Correct BOM Errors Immediately

Issue material from a pick list or dispatch list so BOM errors are detected at time of use. Correct BOM specifications right away.

3



Cycle Count Bulk Materials

For variable-usage bulk materials, accept BOM usage by default and use a cycle counting schedule to keep on-hand quantities accurate.

7



Fix On-Hand Discrepancies Immediately

When physical stock differs from on-hand quantity, make a stock adjustment immediately so future processes are not affected.

4



Avoid Mass Physical Inventories

Unless required for audit or regulation, avoid full inventory freezes. Use smaller periodic cycle counts with minimal operational disruption.

8



Do Not Use Stock Adjustments to Bypass Processes

Never use stock adjustments instead of PO Receipts, Job Receipts, Job Issues, or Order Picking. Bypassing standard processes causes costing, accounting, and workflow problems.

3. PROCESS DISCIPLINE



Receive properly

Use PO Receipts and put stock in the right location.



Issue in real time

Issue materials before work begins.



Count routinely

Use cycle counts to keep on-hand quantities accurate.



Adjust only when appropriate

Make adjustments only to correct real discrepancies.

Inventory accuracy depends on following standard processes consistently.



Best practice: Accurate inventory is the foundation for effective MRP, reliable job release, efficient shipping, and a healthy closed-loop manufacturing system.